

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 177796

63

ORIGIN EUR-12

INFO OCT-01 ISO-00 PA-01 PRS-01 SSO-00 /015 R

DRAFTED BY EUR/CE:GHUMPHREY:BJR

APPROVED BY EUR/CE:LHEICHLER

S/PRS:RFUNSETH(INFO)

----- 052213

O P 171907Z JUL 76 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY BONN NIACT IMMEDIATE

INFO AMCONSUL BREMEN PRIORITY

USMISSION NATO PRIORITY

LIMITED OFFICIAL USE STATE 177796

E.O. 11652: N/A

TAGS: MARR, NATO, GW

SUBJECT: BACKGROUND PRESS BRIEFING ON US-FRG DEFENSE ISSUES

1. FOLLOWING FOR BACKGROUND INFORMATION OF ADDRESSEES ONLY  
IS THE TRANSCRIPT OF 10:30 AM JULY 17 BACKGROUND PRESS  
BRIEFING BY ASSISTANT SECRETARY HARTMAN, FOLLOWING RELEASE  
OF US-FRG PRESS STATEMENT ON DEFENSE ISSUES (TEXT SENT  
SEPTTEL).

2. BEGIN TEXT: MR. FUNSETH: GOOD MORNING.

I BELIEVE YOU HAVE BEFORE YOU THE JOINT STATEMENT ON MUTUAL  
DEFENSE ISSUES THAT WAS RELEASED A FEW MINUTES AGO.

I HAVE ASKED ART HARTMAN, ASSISTANT SECRETARY FOR EUROPEAN  
AFFAIRS, AND DICK VINE, THE DEPUTY ASSISTANT SECRETARY, TO  
COME DOWN THIS MORNING AND ANSWER ANY QUESTIONS YOU MAY HAVE  
ON THIS STATEMENT ON BACKGROUND.

NOW FOR THOSE OF YOU WHO MAY NOT BE FAMILIAR WITH STATE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 177796

DEPARTMENT BACKGROUND RULES, THEY ARE THAT ATTRIBUTION

SHOULD BE TO A STATE DEPARTMENT OFFICIAL -- AND, PLEASE,  
NO DIRECT QUOTES.

ART?

MR. HARTMAN: WELL, LET ME JUST BEGIN. I THINK THE STATE-  
MENT IS SELF-EXPLANATORY.

WE'VE HAD TALKS OVER A PERIOD OF TIME WITH OUR NATO ALLIES  
AND WITH THE GOVERNMENT OF THE FEDERAL REPUBLIC ABOUT  
IMPROVING OUR FORCE POSTURE, CUTTING DOWN ON SOME OF THE  
SUPPORT FUNCTIONS THAT HAVE BEEN TRADITIONALLY PRESENT IN  
EUROPE.

THE CONGRESS HAS ALSO EXPRESSED ITSELF ON THE DESIRABILITY  
OF MOVING IN THIS DIRECTION. THE NATO COMMANDERS IDENTIFIED  
A NEED FOR ADDITIONAL FORCES IN CERTAIN AREAS OF EUROPE.

I THINK YOU'RE AWARE OF THE BRIEFINGS THAT HAVE BEEN GIVEN  
EARLIER ON THE STATIONING OF A BRIGADE IN THE BREMEN AREA.  
THIS AGREEMENT THAT WAS REACHED YESTERDAY AND IS CONTAINED  
IN THIS ANNOUNCEMENT RELATES TO THE GERMAN CONTRIBUTION  
TO THE STATIONING OF THIS BRIGADE, AND I THINK THE DETAILS  
ARE REALLY CONTAINED IN THE STATEMENT; SO I'LL TAKE YOUR  
QUESTIONS.

Q. WHERE IS THE BRIGADE GOING THERE FROM?

A. (MR. HARTMAN) WELL, IT WAS IN THE UNITED STATES. IT  
IS CURRENTLY --

VOICE: IN GRAFENWOEHR.

A. WHICH IS?

VOICE: A TRAINING AREA IN SOUTHERN GERMANY.

A. SOUTHERN AREA -- GERMANY. IT WILL TAKE A WHILE TO  
PREPARE THIS AREA, WHICH WAS AN UNUTILIZED -- I GUESS IT  
WAS A FORMER CAMP WHICH HAS TO BE CONDITIONED NOW.  
BARRACKS HAVE TO BE BUILT AND THE AREA HAS TO BE PREPARED  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03     STATE 177796

TO RECEIVE THE BRIGADE -- ABOUT 3,800 MEN -- AND THERE WILL  
BE FAMILIES PRESENT, SO THERE HAVE TO BE QUARTERS BUILT  
FOR THEM.

Q. IS THIS IN BREMEN?

A. NO. IT'S OUTSIDE OF BREMEN.

Q. DOESTHIS --

VOICE: IT'S AT GARLSTEDT, ABOUT 20 MILES FROM BREMEN.

Q. WHAT WAS THE NAME OF THE PLACE?

VOICE: GARLSTEDT.

Q. HOW DO YOU SPELL THAT?

VOICE: GARLSTEDT (SPELLED).

A. MY EXPERTS ON GERMAN LOCATION.

Q. ART, AT THE BOTTOM OF THE STATEMENT THERE IS A LINE OR TWO STRONGLY INDICATIVE OF THE POSSIBILITY THAT OFFSET IS NO LONGER A FACTOR, NO LONGER EXISTS. IS THAT --

A. THAT'S CORRECT. REALLY, THE WHOLE CONCEPT OF OFFSET CHANGES WITH THE NEW SITUATION WE HAVE IN THE ECONOMIC AREA, PARTICULARLY IN THE MONETARY ARRANGEMENTS WITH FLOATING EXCHANGE RATES. AND THE QUESTION OF OFFSETTING SPECIFIC DEFICITS IS REALLY NOT ONE THAT FITS WITH THE NEW MONETARY ARRANGEMENTS.

ON THE OTHER HAND, WHAT THIS REPRESENTS IS AN AGREEMENT BY THE GOVERNMENT OF THE FEDERAL REPUBLIC TO MAKE A CONTRIBUTION WHERE A NEED HAS BEEN IDENTIFIED AND WHERE THERE IS A COMMON DEFENSE PURPOSE. AND THIS IS A ONE-TIME CONTRIBUTION TO THE COST OF STATIONING THAT BRIGADE IN A PLACE THAT HAS BEEN IDENTIFIED AS IMPORTANT BY NATO COMMANDERS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 177796

Q. WHAT PERCENT OF THE COST IS THAT --

A. THEIR CONTRIBUTION IS ROUGHLY 60 PERCENT OF THE COST. THE OTHER COSTS ARE THINGS WHICH RELATE MORE TO THE KINDS OF SUPPORT FACILITIES THAT AMERICAN FORCES ENJOY, WHICH WE WILL BEAR.

Q. HISTORICALLY, HOW LONG HAS OFFSET BEEN IN EXISTENCE, AND WHAT HAS BEEN THE APPROXIMATE GERMAN CONTRIBUTION AVERAGED -- EITHER A TOTAL OR --

A. WELL, I'LL HAVE TO TAKE THAT( TOTAL FRG OFFSET CONTRIBUTION FROM FY62-63 THROUGH FY74-75 WAS \$11.28 BILLION.) I DON'T KNOW EXACTLY IN TERMS OF STRICT BALANCE OF PAYMENTS OFFSETS OVER THE YEARS. THE CONCEPT REALLY

GREW UP IMMEDIATELY AFTER FIRST BALANCE OF PAYMENTS DIFFICULTIES THAT WE HAD IN THE LATE '50S, WHEN THE EXCHANGE RATES WERE FIXED AND WHEN IT WAS THOUGHT TO BE DESIRABLE TO HAVE SUCH A BALANCE OF PAYMENTS OFFSET CONTRIBUTION.

Q. IN GENERAL, HAS THE --

A. NOW, LET ME JUST POINT OUT THAT, AS FAR AS OTHER ELEMENTS THAT HAVE OVER THE YEARS BEEN PART OF THESE ARRANGEMENTS, OF COURSE MANY OF THOSE WILL CONTINUE. FOR EXAMPLE, THE GERMAN GOVERNMENT PROCURES QUITE A BIT OF EQUIPMENT IN THIS COUNTRY. THAT WILL CONTINUE. IT WILL NOT BE SUBJECT TO SPECIFIC ARRANGEMENTS.

AS YOU KNOW, WE HAVE BEEN TALKING TO OUR EUROPEAN ALLIES ABOUT MOVING TOWARD GREATER STANDARDIZATION, INTER-OPERABILITY OF EQUIPMENT. WE'VE TALKED ALSO ABOUT THE IMPORTANCE OF A TWO-WAY STREET IN TERMS OF PROCUREMENT.

LAST YEAR WE HAD A MAJOR SALE OF A U.S. AIRCRAFT. THERE HAVE BEEN CERTAIN PURCHASES BY THE AMERICAN ARMED FORCES.

IN THE FUTURE, I THINK THE EUROPEAN ALLIES WOULD HOPE THAT THIS WOULD BE MORE OF A TWO-WAY STREET.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 177796

Q. WELL, WHEN YOU TAKE THE QUESTION, DOES THAT MEAN THAT YOU'LL ARRANGE FOR THE PRESS OFF --

A. YES, WELL, I'LL TRY TO FIND SOME FIGURE FOR THE -- (TOTAL FRG OFFSET CONTRIBUTION FROM FY62-63 THROUGH FY74-75 WAS \$11.28 BILLION.)

Q. DO YOU KNOW THE TERMS OF THE MOST RECENT OFFSET AGREEMENT?

A. WELL, I GUESS THE MOST RECENT ONE WAS IN FISCAL 1974.

VOICE: 2.24 BILLION.

A. IN '75.

Q. 2.4?

VOICE: 2.24.

A. BILLION.

Q. '75?

A. TWO ONE; EXCUSE ME, 2.21 BILLION.

Q. WAS THAT MOSTLY SHORT-TERM LOANS -- SHORT TERM BONDS?

A. NO. IT WAS PARTIALLY IN SHORT-TERM BONDS; IT 'AS PARTIALLY IN CONTRIBUTION TO BARRACKS REHABILITATION; IT WAS IN PROCUREMENT FOR GERMAN FORCES. AND THERE WERE CERTAIN OTHER COSTS THAT WERE INVOLVED.

Q. DID WE WANT ANOTHER OFFSET AGREEMENT AND THE GERMANS SAID NO THIS TIME?

A. NO. NO, WE HAD RECOGNIZED TOGETHER, AND THIS HAS BEEN, I THINK, A COMMON UNDERSTANDING -- THAT REALLY THE SITUATION HAD CHANGED AND THAT WHAT WE WERE TALKING ABOUT NOW WAS THIS DESIRABILITY OF IMPROVING THE FORCE STRUCTURE IN EUROPE; AND WHERE THE NEEDS WERE IDENTIFIED THAT HAD LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 06 STATE 177796

A COMMON PRUPOSE, WE WOULD DISCUSS WHETHER OR NOT A CONTRIBUTION SHOULD BE MADE, WHETHER THAT WOULD BE A FAIR DIVISION OF LABOR. AND IN THIS CASE IT HAS BEEN AGREED FOR SOME TIME ON THE NECESSITY OF HAVING THE BRIGADE IN THIS AREA. AND WE'VE BEEN DISCUSSING WITH THE GERMANS HOW THOSE COSTS COULD BE MET.

NOW, OF COURSE, THIS IS A ONE-TIME CONTRIBUTION TO THE STATIONING OF THOSE FORCES IN THAT AREA. THE UNITED STATES WILL, AS IT DOES WITH ITS OTHER FORCES IN GERMANY OF COURSE, BEAR THE COST OF THE CONTINUING OPERATIONAL COSTS OF THOSE FORCES.

Q. CAN YOU COMMENT ON A REPORT IN THE NEUSPAPERS THIS MORNING THAT AT PUERTO RICO OR AFTER IT THAT THE UNITED STATES, GERMANY A COUPLE OF OTHER MAJOR COUNTRIES AGREED NOT TO COME TO THE FINANCIAL SUPPORT OF ITALY IF THE COMMUNISTS WON?

A. NO. I'M NOT GOING TO COMMENT ON THAT. I WANT TO LIMIT MY REMARKS TO THIS SYSTEM.

Q. YOU KNOW, ART, IF A FOREIGN LEADER COMES IN AND TELLS THAT TO AMERICAN REPORTERS, WHY CAN'T WE HEAR IT FROM OUR OWN PEOPLE?

A. WELL, I'M NOT GOING TO COMMENT ON THAT STORY. NO., I'M JUST GOING TO TALK TO YOU ABOUT THIS ARRANGEMENT.

Q. MR. HARTMAN, IS IT AN ADDITIONAL BRIGADE WHICH IS COMING INTO GERMANY, OR IS IT JUST THE OTHER PLACE?

A. NO, NO. THIS IS AN ADDITIONAL BRIGADE. IT HAS ALREADY GONE INTO AN AREA, BECAUSE THERE WASN'T AN AREA PREPARED IN THE NORTHERN PART OF GERMANY WHERE THE NATO COMMANDERS FELT THAT WAS THE BEST PLACE FOR IT. BUT THERE WAS NO CAMP READY THERE TO RECEIVE IT.

Q. HOW MANY ,EN IN THE BRIGADE?

A. 3,800.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 07 STATE 177796

Q. THIS IS NOT AN OVERALL FORCE INCREASE IN EUROPE, IS IT? IS THERE REDUCTION IN OTHER AREAS?

A. WELL, WE ARE REDUCING IN OTHER AREAS. I DON'T KNOW THIS WILL ADD TO THE NUMBER CURRENTLY THERE.

VOICE: I DON'T THINK YOU CAN MAKE THAT REMARK --

A. YES.

VOICE: -- BUT IT IS A NEW COMBAT FACILITY.

A. IT'S CERTAINLY A NEW COMBAT CAPABILITY. WE HAVE CUT BACK ON SUPPORT FORCES IN EUROPE. THERE ALSO HAVE BEEN OTHER ADDITIONS IN OTHER SERVICES. I THINK THERE'S A NEW AIR UNIT, ISN'T THERE, AND A NEW RADAR?

VOICE: THERE WILL BE IN THE FUTURE ANOTHER AIR UNIT, VERY SMALL, TO THE POINT THAT THEY'RE GOING INTO THE SAME AREA.

A. YES. GOING BACK TO THE VARIOUS CONGRESSIONAL DISCUSSIONS THAT WE'VE HAD, THE NUNN AMENDMENTS LAST YEAR REALLY WERE DESIGNED TO ENCOURAGE US TO MOVE IN THIS DIRECTION OF REALLY INCREASING THE COMBAT CAPABILITY AND TRYING TO CUT OUT SOME OF THE SUPPORT ELEMENTS, AND WE BELIEVE THAT THIS REALLY GOES ALONG IN THE DIRECTION THAT CONGRESSIONAL INTENT HAS OUTLINED.

Q. DO YOU HAVE ANY ROUGH ESTIMATE OF THE AMOUNT OF GERMAN PURCHASES OR OTHER THINGS THAT WOULD HAVE NORMALLY BEEN CALLED "OFFSET" THAT WILL TAKE PLACE THIS YEAR ANYWAY, EVEN THOUGH IT'S NOT UNDER THE AGREEMENT?

A. NO. I DON'T HAVE AN ESTIMATE; NO. THEY'VE BEEN RUNNING -- I GUESS LAST YEAR WAS -- WHAT? SEVERAL

HUNDRED MILLION DOLLARS?

VOICE: YES.

A. WE WOULD EXPECT THAT IT WOULD CONTINUE ALONG THOSE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 08 STATE 177796

LINES. THERE MAY BE NEW PIECES OF EQUIPMENT WHICH WILL  
ALTER THAT FUTURE IN SOME WAY.

OF COURSE, THE GERMANS CONTINUE TO KEEP LARGE AMOUNTS  
OF THEIR RESERVES IN THIS COUNTRY. BUT THAT, AGAIN, IS

PART OF A GENERAL MONETARY SYSTEM THAT HAS NOTHING TO DO  
WITH THIS ARRANGEMENT. IT'S JUST SOMETHING THAT IS DONE  
BECAUSE THAT'S THE WAY THE CENTRAL BANKS FEEL THAT IT'S  
APPROPRIATE TO HANDLE THOSE FUNDS.

Q. THE CHANCELLOR SAID WEDNESDAY THAT THE QUESTION OF  
OFFSET WAS NOT AN APPROPRIATE TOPIC FOR A BICENTENNIAL  
VISIT. WHAT HAPPENED TO PUT THIS ON THE AGENDA?

A. I DON'T WANT TO COMMENT ON WHAT THE CHANCELLOR SAID,  
BUT WE HAVE BEEN CONDUCTING DISCUSSIONS WITH THEM FOR  
SOME TIME. I ASSUME -- I WAS NOT PRESENT IN THE SPECIFIC  
CONVERSATION WHERE THIS WAS DEALT WITH-- THAT THEY FELT  
THAT THEY HAD REACHED A POINT WHERE THEY COULD REACH  
AGREEMENT, AND THEY DID.

I DON'T THINK THERE WAS MUCH DISCUSSION ABOUT IT BECAUSE,  
QUITE FRANKLY, IT HAD ALL BEEN PRETTY MUCH AGREED BEFORE  
HE CAME HERE.

Q. IN THE CONTEXT OF NEGOTIATING THIS OFFSET -- OR WHAT-  
EVER YOU WANT TO CALL IT -- ONE-TIME CONTRIBUTION --

A. YES, IT IS NOT AN OFFSET.

Q. -- DID WE GIVE ANY REASSURANCES TO THE GERMANS ON  
THE SCHLESINGER AGREEMENT ON THE STANDARDIZATION, COMMON  
PROCUREMENT, PARTICULARLY ON THE TANKS?

A. NO, THERE WERE NO LINKED DISCUSSION. WE ARE  
CONTINUING OUR DISCUSSIONS ON THE WHOLE QUESTION OF  
STANDARDIZATION AND PROCUREMENT, AND I THINK WE AND THE  
GERMANS HAVE REALLY PARALLEL APPROACHES TO THIS. THERE  
ARE GOING TO BE SOME VERY DIFFICULT ISSUES. WE DON'T  
DOUBT THAT. BUT THOSE ARE GOING IN THEIR OWN CHANNELS AND  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 09 STATE 177796

I WOULD HOPE MOVE TOWARD --

Q. IT WAS NOT RAISED?

A. NO, IT WAS NOT RAISED IN CONNECTION WITH THIS.

Q. WAS IT RAISED AT ALL IN THE DISCUSSIONS WITH  
CHANCELLOR SCHMIDT.

A. I CAN'T ANSWER THAT BECAUSE I DON'T KNOW ALL THE  
DISCUSSIONS. I WOULD RATHER DOUBT IT, BUT I JUST DON'T  
KNOW.

Q. WHAT IS THE NATURE OF THE DIFFICULT QUESTIONS THAT LIE  
AHEAD?

A. YOU MEAN IN TERMS OF THE STANDARDIZATION? WELL, I  
THINK, YOU KNOW, WE HAVE HAD NOW 25 YEARS OR SO OF  
EXPERIENCE. IT IS ALWAYS DIFFICULT TO REACH COMMON  
AGREEMENT ON THE STANDARDIZATION OF EQUIPMENT. YOU HAVE  
DESIGNS THAT ARE DEVELOPED IN INDIVIDUAL COUNTRIES; YOU  
HAVE THE INTERESTS OF INDIVIDUAL COUNTRIES TO CONDUCT  
THEIR OWN PROCUREMENT BECAUSE OF THE ADVANTAGES OF BUILD-  
ING MAJOR ITEMS OF EQUIPMENT AND USING YOUR OWN  
INDUSTRIAL FACILITIES. AND WHAT WE ARE TRYING TO DO IN  
ALL OF OUR DISCUSSIONS IS NOW TO SEE WHETHER OR NOT SOME  
OF THESE CONSIDERATIONS CAN BE BALANCED SO THAT WE CAN  
GET THE ECONOMIC AND SECURITY BENEFITS FROM A GREATER  
STANDARDIZATION. THE WHOLE QUESTION OF INTEROPERABILITY  
WHICH GENERAL HAIG HAS BEEN VERY CONCERNED ABOUT-- THE  
DIFFERING KINDS OF AMMUNITION THAT PEOPLE HAVE, THE  
DIFFERING KINDS OF FUEL THAT THEY HAVE--ALL OF THIS TO  
A MILITARY COMMANDER IS A NIGHTMARE AS HE IS THINKING  
ABOUT HOW HE IS GOING TO FIGHT A WAR IN A SITUATION WHERE  
PEOPLE ARE USING DIFFERENT KINDS OF EQUIPMENT.

THIS IS SOMETHING THOUGH THAT WE ARE FOCUSING ON TO A  
LARGE EXTENT NOW, A MUCH LARGER EXTENT THAN IN THE PAST.  
THE ECONOMIC SITUATION IS PRESSING ON ALL OF THE GOVERN-  
MENTS. ALL OF THEM ARE UNDER PRESSURES TO TRY AND REDUCE  
EXPEDITURES AND COSTS. AND THEY ARE GOING TO BE LOOKING  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 10 STATE 177796

FOR SOME IMPROVEMENT IN THIS SITUATION.

Q. IS SOMETHING SIGNED IN CONNECTION WITH THIS, OR IS

IT A GENTLEMEN'S AGREEMENT?

A. THIS IS AN AGREEMENT. THE FORM THAT IT TAKES WILL BE DECIDED AT A LATER TIME. I THINK THE UNDERSTANDING IS THERE IN ANY CASE.

Q. IS ANY OTHER EUROPEAN NATION MAKING SIMILAR CONTRIBUTIONS TO THE UNITED STATES AT THIS TIME?

A. NOT TO MY KNOWLEDGE, NO. THERE HAVE BEEN CASES, I GUESS, IN THE PAST WHERE COSTS HAVE BEEN SHARED WHEN NEW UNITS HAVE BEEN PLACED, BUT THERE IS NOTHING THAT I KNOW THAT IS IN PROSPECT AT THE MOMENT.

Q. MR. HARTMAN, WHAT IS THE PRESENT TOTAL OF U.S. TROOPS IN GERMANY AND EUROPE OVERALL?

A. I'LL HAVE TO GET THAT. I ASKED THAT EARLIER. (TOTAL

US ARMED FORCES STATIONED IN EUROPE: 306,000; IN THE FRG 217,000.

VOICE: SOME THREE HUNDRED -- OVER THREE HUNDRED THOUSAND IN EUROPE OVERALL, AND THE FIGURE IN GERMANY IS TWO TWENTY --

MR. HARTMAN: CAN WE GET AN EXACT FIGURE FOR THOSE FORCES?

VOICE: THERE IS NO SUCH THING AS AN EXACT FIGURE.

MR. HARTMAN: WELL, WHATEVER THE CURRENT DEFENSE ESTIMATE IS.

Q. IF I UNDERSTAND THE SITUATION, ISN'T IT TRUE THAT THE DIFFICULTY YOU ARE SPEAKING ABOUT IS ONLY ON THE AMERICAN SIDE, THAT YOU HAVE TO TRY TO CONVINCE YOUR ARMY AND THE INDUSTRY THAT IT MIGHT BE APPROPRIATE TO GET SOME PROCUREMENT FROM GERMANY AND VICE VERSA?

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 11 STATE 177796

A. NO, I WOULD NOT SAY SO BECAUSE, FIRST, YOU HAVE THE QUESTION OF CHOOSING THE WEAPON THAT REALLY IS THE BEST WEAPON. AND THERE ARE CERTAINLY GOING TO BE DISAGREEMENTS ABOUT THAT. ONE THING WE HAVE TRIED TO DO IS TO ENCOURAGE THE NATO GROUPS TO TRY AND REACH SOME CONCLUSIONS ABOUT COMMON STANDARDS AND THE REQUIREMENTS FOR A PARTICULAR WEAPONS SYSTEM. ONCE THAT IS DONE, THEN PEOPLE CAN TALK ABOUT THE INDIVIDUAL DESIGNS THAT HAVE BEEN PRODUCED BY NATIONAL AUTHORITIES.

NOW, WE HAVE HAD SOME SUCCESS WITH THE F-16 WHERE IT ISN'T A QUESTION JUST OF PRODUCING IN ONE COUNTRY AND THEN EXPORTING IT, FOR EXAMPLE, FROM THE UNITED STATES. THERE WILL BE PRODUCTION ARRANGEMENTS IN EUROPE. I THINK WHAT WE WOULD LIKE TO SEE IS ARRANGEMENTS LIKE THAT ON OTHER ITEMS OF MAJOR EQUIPMENT. BUT I WOULDN'T SAY THAT IT IS A QUESTION OF JUST CONVINCING THE AMERICAN SIDE. YOU DO HAVE TO DECIDE WHAT THE BEST SYSTEM IS. THEN YOU CAN DECIDE WHERE THE PRODUCTION SHOULD TAKE PLACE AND HOW IT OUGHT TO BE SHARED OUT.

Q. STANDARDIZATION WAS NOT ON THE AGENDA?

A. IT WAS NOT ON THE AGENDA -- WELL, THERE WASN'T REALLY AN AGENDA. VISITS LIKE THIS DON'T TAKE PLACE WITH FORMAL AGENDAS.

Q. BUT WERE WE PREPARED TO TALK ABOUT IT? DID THE GERMANS INDICATE --

A. I THINK WE WOULD HAVE BEEN, ALTHOUGH, YOU KNOW, WE JUST RECENTLY HAD A VISIT FROM DEFENSE MINISTER LEBER, AND I AM SURE THAT THIS CAME UP IN HIS CONVERSATIONS WITH SECRETARY RUMSFELD, AND THAT REALLY IS THE MOST APPROPRIATE CHANNEL TO DISCUSS THE STANDARDIZATION PROBLEM.

Q. ON THE OFFSET, THE FORMULATION THERE, IS IT AN OPEN-END FORMULATION, OR IS IT ABSOLUTELY CLOSED? WHAT I MEAN IS THAT THE FACTS WHICH ARE NOW VALID FOR CLOSING UP THE TRADITIONAL FORM CAN CHANGE ANY MINUTE. IF YOU HAVE A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 12 STATE 177796

FLEXIBLE EXCHANGE RATE SYSTEM AND BALANCE OF PAYMENTS SITUATION, IT CAN BE COMPLETELY DIFFERENT IN A YEAR OR TWO.

A. NO, I THINK THE POINT THAT'S MADE HERE IS UNLESS WE CHANGE THE BASIC GROUND RULES OF THE MONETARY SYSTEM--AND I DON'T SEE THAT HAPPENING -- MOVING BACK TOWARD FIXED EXCHANGE RATES, WHICH I DON'T BELIEVE ANYBODY WANTS--THE TRADITIONAL OFFSET ARRANGEMENTS HAVE INDEED LOST THEIR RELEVANCE. SO THE FACT THAT THERE MAY BE VARIATIONS IN CURRENCY RATES ISN'T A FACTOR THAT WOULD CHANGE THAT SITUATION. IT'S THAT WHOLE SYSTEM THAT MAKES THE TRADITIONAL ARRANGEMENTS ON OFFSET LOSE THEIR RELEVANCE.

Q. HOW DID YOU ARRIVE AT THAT VERY SPECIFIC FIGURE OF \$68.48 MILLION?

A. IT WAS ARRIVED AT BY GOING THROUGH THE COST OF STATIONING THE BRIGADE REALLY AND REMOVING SOME OF THE EXPENDITURES LIKE AMERICAN SCHOOLS FOR DEPENDENTS, SOME OF THE THINGS THAT ARE STRICTLY SPEAKING THERE FOR PURPOSES OF SUPPORT IN A WAY WHICH THE UNITED STATES WANTS TO BE SURE IS UP TO A STANDARD THAT ITS FORCES ARE USED TO. SO BY A PROCESS OF ELIMINATION YOU REALLY CAME TO THE ROUGHLY SIXTY PERCENT SHARE.

Q. WHEN WILL THIS BRIGADE BE ON BASE?

A. IN 1977. WHAT PART OF THE YEAR.

VOICE: IT DEPENDS ON WHETHER THEY CAN START CONSTRUCTION THIS YEAR OR GET THE ROOFING IN PLACE TO DO ALL THE INSIDE WORK. IF THAT SCHEDULE IS HELD, THEY WILL BE IN PLACE BY THE END OF 1977.

MR. HARTMAN: END OF '77.

Q. DID YOU SAY THAT BRIGADE IS AT GRAFENWOEHR NOW?

A. YES. I DON'T KNOW, ARE THE FAMILIES WITH THEM YET?

VOICE: NO.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 13 STATE 177796

MR. HARTMAN: NO, THE FAMILIES WILL ONLY COME OVER WHEN THEY --

Q. IS THIS AN ARMORED BRIGADE?

A. IT CAME FROM FORT HOOD. I THINK IT IS, YES.

Q. THANK YOU.

END TEXT. ROBINSON

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TROOP DEPLOYMENT, TEXT, OPERATING COSTS, PRESS CONFERENCES, OFFSET PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE177796  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** GHUMPHREY:BJR  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760276-0783  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760747/aaaabouu.tel  
**Line Count:** 588  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 11  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MartinML  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 APR 2004 by ShawDG>; APPROVED <28 JUL 2004 by MartinML>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BACKGROUND PRESS BRIEFING ON US-FRG DEFENSE ISSUES  
**TAGS:** MARR, GE, US, NATO, (HARTMAN, A A)  
**To:** BONN  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006